

Effective 5/12/2015

31A-37-106 Authority to make rules -- Authority to issue orders.

- (1) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commissioner may adopt rules to:
 - (a) determine circumstances under which a branch captive insurance company is not required to be a pure captive insurance company;
 - (b) require a statement, document, or information that a captive insurance company shall provide to the commissioner to obtain a certificate of authority;
 - (c) determine a factor a captive insurance company shall provide evidence of under Subsection 31A-37-202(4)(c);
 - (d) prescribe one or more capital requirements for a captive insurance company in addition to those required under Section 31A-37-204 based on the type, volume, and nature of insurance business transacted by the captive insurance company;
 - (e) waive or modify a requirement for public notice and hearing for the following by a captive insurance company:
 - (i) merger;
 - (ii) consolidation;
 - (iii) conversion;
 - (iv) mutualization;
 - (v) redomestication; or
 - (vi) acquisition;
 - (f) approve the use of one or more reliable methods of valuation and rating for:
 - (i) an association captive insurance company;
 - (ii) a sponsored captive insurance company; or
 - (iii) an industrial insured group;
 - (g) prohibit or limit an investment that threatens the solvency or liquidity of:
 - (i) a pure captive insurance company; or
 - (ii) an industrial insured captive insurance company;
 - (h) determine the financial reports a sponsored captive insurance company shall annually file with the commissioner;
 - (i) prescribe the required forms and reports under Section 31A-37-501; and
 - (j) establish one or more standards to ensure that:
 - (i) one of the following is able to exercise control of the risk management function of a controlled unaffiliated business to be insured by a pure captive insurance company:
 - (A) a parent; or
 - (B) an affiliated company of a parent; or
 - (ii) one of the following is able to exercise control of the risk management function of a controlled unaffiliated business to be insured by an industrial insured captive insurance company:
 - (A) an industrial insured; or
 - (B) an affiliated company of the industrial insured.
- (2) Notwithstanding Subsection (1)(j), until the commissioner adopts the rules authorized under Subsection (1)(j), the commissioner may by temporary order grant authority to insure risks to:
 - (a) a pure captive insurance company; or
 - (b) an industrial insured captive insurance company.
- (3) The commissioner may issue prohibitory, mandatory, and other orders relating to a captive insurance company as necessary to enable the commissioner to secure compliance with this chapter.

Amended by Chapter 244, 2015 General Session